



USAID
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CROATIA

ECONOMIC GROWTH

Growth of a Dynamic and Competitive Private Sector



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Solaris, a solar panel manufacturer at the Novigrad industrial park. With USAID assistance, the Istrian Development Agency, Istrian County and business sector cooperated to put in place infrastructure and financial incentives to create new businesses and jobs.

Program Objective

While Croatia's general economic and financial conditions have been improving, it still falls behind other transition countries in critical areas. The Government of Croatia's control over the economy (40% of GDP) is much higher than other market economies, export competitiveness is falling relative to its GDP and unemployment remains high.

USAID's objective in the economic sector is growth of a dynamic and competitive private sector, to be accomplished by improving the macroeconomic environment for private sector growth and delivering direct assistance to private organizations and enterprises.

USAID's economic development program has two elements:

1. To assist the Government of Croatia in implementing the structural reforms necessary for Croatia to increase low levels of foreign and domestic investment, spur private sector growth, and reduce the high rate of unemployment (presently 15%). USAID have supported the development of strong financial sector regulatory systems and new independent regulatory authorities in the energy sector. USAID continues to promote regulatory reform and tax simplification initiatives.
2. To assist Croatian businesses, especially small and medium enterprises (SMEs) and agribusinesses to acquire the skills, tools, financing, and services needed for them to compete in local, regional and global markets.

Program Activities

- Small & Medium Enterprises (ESP)
- Raising Incomes in Economically Distressed Areas (RIEDA)
- Energy Sector Restructuring